

Russell H. Owen

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1 A. Well, you execute a worksheet that says that
2 you and your supervisor have agreed to the objectives
3 that you will hit, the things you will do to go earn your
4 AMIP, and that has to be executed and you're in the
5 program. Given that you're in the program at the end of
6 the year, that's when the calculation is actually done.
7 And the reason for that is there are many factors that
8 involve the accomplishment or not of the AMIP that are
9 really unknown until the end of the year, and you really
10 need to have all the information at the end, generally in
11 the May time frame, to know whether an objective has been
12 hit.

13 Q. You had said you have to be on the payroll at
14 the end of the year. Did you mean you have to be on the
15 AMIP plan at the end of the year, as well?

16 A. It's both. You have to have an active plan and
17 be in the employ of the company, and this is why I
18 mentioned that many people alter their behavior to their
19 kinds of job changes, retirements, or resigning after the
20 AMIP payout in May.

21 Q. Does that mean that AMIP is not earned -- let's
22 say somebody is removed during the middle of the year.
23 Is AMIP earned at that point in time?

24 A. It is my belief that it is not.

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1 Q. Why is that?

2 A. Again, there are usually factors at the end of
3 the year, for example, to calculate your financials. The
4 performance throughout the year is not -- even a good
5 quarter is not an indication of the year. There are many
6 things that have to be done and completed to do the
7 calculation at the end of the year, and there's really no
8 logical way -- you could make inferences on some
9 variables, but there's no concrete, logical way that you
10 could wind up having accomplished it with a proration
11 methodology.

12 Q. Is the reason that AMIP is not an entitlement
13 because it's a bonus that depends upon performance at the
14 end of the year?

15 A. I believe that's correct, yes. To me the word
16 "bonus" implies discretionary to me. It may not to all
17 people, but I believe it does. And it is not earned
18 until the end of the year and it's a way -- if the
19 corporation at the end of the year does well, it's a way
20 that success is shared with the key contributors.

21 Q. One moment, please.

22 MR. SEEGULL: I have nothing further.

23 BY MR. WILSON:

24 Q. I just have a couple very quick follow-ups.

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1 You just testified that it would be
2 difficult to make inferences for the proration
3 methodology to give the bonus to somebody who was not a
4 participant at the close of the fiscal year.

5 My question to you is: Then how is it done
6 for those who join the AMIP program in mid-year and are
7 members of the program at the end of the year?

8 A. Well, I think there's an algorithm that's used
9 where, if the employee joins in the middle of the year
10 and finishes out the year, they will be there to meet the
11 two tests. And there's not a proration of
12 accomplishment. There's a proration of their salary
13 that's available for the test to be applied to.

14 Q. But couldn't the same thing be done for
15 somebody removed midyear?

16 A. Theoretically, except they didn't pass the test
17 of being in the program and I guess they didn't pass the
18 two tests.

19 Q. Are you aware of anybody who was removed from
20 the AMIP program in midyear and continued to work for CSC
21 and still received their AMIP bonus at the end of that
22 fiscal year?

23 A. No, I'm not.

24 MR. WILSON: I have nothing further.

CERTIFICATE OF REPORTER

STATE OF DELAWARE)

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NEW CASTLE COUNTY)

I, Kimberly A. Hurley, Registered Professional Reporter and Notary Public, do hereby certify that there came before me on the 8th day of May, 2006, the deponent herein, RUSSELL H. OWEN, who was duly sworn by me and thereafter examined by counsel for the respective parties; that the questions asked of said deponent and the answers given were taken down by me in Stenotype notes and thereafter transcribed by use of computer-aided transcription and computer printer under my direction.

I further certify that the foregoing is a true and correct transcript of the testimony given at said examination of said witness.

I further certify that I am not counsel, attorney, or relative of either party, or otherwise interested in the event of this suit.

Kimberly A. Hurley

Certification No. 126-RPR
(Expires January 31, 2008)

DATED:

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

BRIAN MILLER, HECTOR CALDERON,)
CHARLES FOLWELL, DAWN M.)
HAUCK, KEVIN KEIR, ASHBY)
LINCOLN, KAREN MASINO, ROBERT)
W. PETERSON, SUSAN M. POKOISKI,)
DAN P. ROLLINS, and WILLIAM)
SPERATI,)
Plaintiffs,)
v.) C.A. No. 05-10-JJF
COMPUTER SCIENCES CORPORATION,)
Defendant.)

Deposition of SUSAN J. ELTZROTH taken pursuant to notice at the law offices of Margolis Edelstein, 1509 Gilpin Avenue, Wilmington, Delaware, beginning at 1:05 p.m., on Friday, March 31, 2006, before Kimberly A. Hurley, Registered Merit Reporter and Notary Public.

APPEARANCES:

TIMOTHY J. WILSON, ESQUIRE
MARGOLIS EDELSTEIN
1509 Gilpin Avenue
Wilmington, Delaware 19806
for the Plaintiffs

LARRY R. SEEGULL, ESQUIRE
DLA PIPER RUDNICK GRAY CARY US LLP
6225 Smith Avenue
Baltimore, Maryland 21209-3600
for the Defendant

WILCOX & FETZER
1330 King Street - Wilmington, Delaware 19801
(302) 655-0477

Dorothy J. Eltzroth

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1 Q. What's your job title?

2 A. Director Human Resources, Shared Services,
3 Employee Relations, and Affirmative Action.

4 Q. That's a long one.

5 A. That's a long title.

6 Q. How long have you held that title?

7 A. Since 2002.

8 Q. What did you do before that?

9 A. I was HR director for the Chemical Group.

10 Q. How long were you in that position?

11 A. Since 1997.

12 Q. How long have you worked for CSC altogether?

13 A. Since 1991.

14 Q. What did you do to prepare for today's
15 deposition, if anything?

16 A. I met with counsel, Larry Seegull, for a few
17 hours.

18 Q. When was that?

19 A. Wednesday of this week.

20 Q. When you say "a few hours," do you mean two,
21 three?

22 A. I think it was about three hours. Three or
23 four hours.

24 Q. Did you review any documents?

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1 Q. Do you have an understanding as to how the AMIP
2 program works?

3 A. Yes.

4 Q. Can you briefly explain how it works?

5 A. Yes. The program is generally reserved for
6 participation by senior-level individuals, meaning people
7 in senior-level titles. There are financial, as well as
8 individual, objectives. The program is for -- I should
9 say based on a fiscal -- CSC's fiscal year, and the
10 objectives are measured at the end of the year, and the
11 individual is eligible for potential award based on the
12 achievements of those objectives.

13 Q. When you say "fiscal year," can you identify
14 what the fiscal year is at CSC?

15 A. That's April 1 through March 31st.

16 Q. Is the performance of the individual evaluated
17 throughout the fiscal year in the AMIP program in order
18 to receive his AMIP bonus?

19 A. No. The achievement of the objectives is
20 measured at the end of the year.

21 Q. Those objectives, are they contributed to during
22 the fiscal year, the entire fiscal year?

23 A. They could be. Depending upon the objectives
24 and the individual participation.

Dorothy J. Eltzroth

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1 DuPont pension plan and, second, as if they continued to
2 be part of the CSC pension plan, and those eligible
3 individuals would then receive the higher of the two
4 payments.

5 Q. Do you know how long CSC has had the AMIP bonus
6 program?

7 A. No.

8 Q. Is it fair to say that the AMIP program is an
9 incentive program?

10 A. Yes.

11 Q. Can you tell me what it's based on?

12 A. I can describe the program as I have
13 participated in it and what it was based on.

14 It's based on financial objectives for the
15 corporation and it's based on financial objectives that I
16 personally have responsibility for, as well as
17 nonfinancial objectives that I agree with with my
18 manager.

19 Q. Would those be characterized as corporate
20 objectives?

21 A. The financial objectives are corporate
22 objectives, yes.

23 Q. Are there group objectives?

24 A. There could be, yes.

Dorothy J. Eltzroth

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1 Q. What are group objectives?

2 A. Group objectives are generally financial
3 objectives, in my experience.

4 Q. When you say "financial objectives," what do
5 you mean by that?

6 A. For example, revenue, operating income, margin,
7 day sales outstanding, perhaps return on investment.

8 Q. So these different categories, revenue,
9 operating income, are these categories that are
10 contributed to by the business throughout the fiscal
11 year?

12 A. I think that's a fair characterization. All of
13 the business units' financials roll up into the corporate
14 financials, yes.

15 Q. In order to be eligible to receive an AMIP
16 bonus, you would have to be participating in the program
17 during the fiscal year, correct?

18 MR. SEEGULL: Objection. Go ahead, you can
19 answer.

20 A. You'd have to be eligible to participate and
21 you would have to continue to be eligible to participate
22 and be employed with CSC at the time the bonus payouts
23 are calculated and earned and then, in fact, paid out.

24 Q. So is it your testimony that, if you're removed

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1 from the program prior to the payout, you're not eligible
2 to receive the AMIP bonus?

3 A. Yes.

4 Q. For any portion of the year?

5 A. Yes.

6 Q. People who are added to the AMIP program during
7 the fiscal year, are they eligible for the AMIP bonus?

8 A. If they follow the same conditions. If they
9 continue to be eligible and they're employed at the time
10 the bonus payouts are calculated and then paid out.

11 Q. If they're only in the program for six months
12 out of the fiscal year, do they get a full AMIP bonus?

13 A. No.

14 Q. Or is it prorated?

15 A. It would be prorated for the time that they
16 joined the program.

17 Q. But you don't prorate it for people who are
18 removed?

19 A. No. Not that I'm aware of.

20 Q. The AMIP bonuses are prorated based upon the
21 number of months that you're in the program, correct, if
22 it's prorated at all?

23 A. In my experience, when someone joined and was
24 eligible to participate for a portion of the year, then

Dorothy J. Eltzroth

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1 BY MR. WILSON:

2 Q. In your experience at CSC, when people have
3 been removed, have they been told within a reasonable
4 time?

5 MR. SEEGULL: Objection. Lack of
6 foundation.

7 BY MR. WILSON:

8 Q. Have people been removed from the AMIP program
9 during the fiscal year?

10 A. Yes.

11 Q. When these people have been removed, have they
12 been told within a reasonable time that they have been
13 removed from the program?

14 A. Yes.

15 Q. Once you're deemed eligible, once an employee
16 is deemed eligible for the AMIP bonus, his or her
17 participation continues until they're notified that they
18 are no longer eligible to participate, correct?

19 MR. SEEGULL: Objection.

20 A. No.

21 Q. Why is that?

22 A. First of all, the program is based on a fiscal
23 year. So at any given point in time, if you're eligible
24 to participate and you're aware that you're eligible to

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1 participate by agreement with your manager, then the
2 understanding is that it's based on that fiscal year
3 objectives. So there is no opportunity, nor is it
4 reasonable, to think that, if you were a participant in
5 one year, you would continue being a participant in
6 subsequent years.

7 Q. In general, do the managers go to their
8 employees at the beginning of the fiscal year and say
9 listen, you're in this year or you're not in this year?

10 A. Yes.

11 Q. That typically happens?

12 A. Yes.

13 Q. At the beginning of the fiscal year?

14 A. That has been my experience.

15 Q. Do you believe that the AMIP bonus is an
16 entitlement?

17 A. No.

18 Q. Who's William Bancroft?

19 A. That is a name of a vice president within CSC.

20 Q. If Mr. Bancroft characterized the AMIP as an
21 entitlement, would that change your mind?

22 A. No.

23 Q. Would Mr. Bancroft be in a position to
24 understand the AMIP program and whether or not it was an

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1 A. No.

2 Q. Do you know if Gary Lewis held a position at
3 CSC higher on the corporate ladder than yours?

4 MR. SEEGULL: Objection. Asked and
5 answered.

6 MR. WILSON: I don't think she did answer.

7 MR. SEEGULL: I thought she said she did
8 not know his position.

9 MR. WILSON: She could know whether he's
10 higher up than her.

11 MR. SEEGULL: If you know the answer, you
12 can answer.

13 A. I don't know.

14 Q. Are the AMIP bonuses earned by the participants
15 over the course of the fiscal year?

16 A. No.

17 MR. WILSON: I'd like to have that marked.

18 (Eltzroth Deposition Exhibit No. 1 was
19 marked for identification.)

20 BY MR. WILSON:

21 Q. Take your time and look over that document, if
22 you would. I'm not going to ask you about the entire
23 document, just several pieces of it.

24 Have you ever seen this document before?

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1 with the statement in this CSC document.

2 MR. SEEGULL: I don't know what that means,
3 agrees with a statement in a document that was drafted in
4 1983. She wasn't involved at all in drafting the
5 document.

6 If you understand the question, you can
7 answer.

8 A. The fiscal year is the measurement period for
9 measuring and assessing performance.

10 Q. And the performance of the eligible
11 participants is evaluated throughout the course of the
12 fiscal year, correct?

13 A. No. It's evaluated at the end of the fiscal
14 year.

15 Q. It's evaluated at the end of the fiscal year,
16 but the performance throughout the fiscal year is what is
17 evaluated.

18 MR. SEEGULL: Objection. Asked and
19 answered numerous times now.

20 MR. WILSON: I don't think it has been.

21 MR. SEEGULL: I don't think you like the
22 answer, but you have asked it numerous times. She's
23 answered it.

24 MR. WILSON: You can answer the question.

CERTIFICATE OF REPORTER

STATE OF DELAWARE)

)

NEW CASTLE COUNTY)

I, Kimberly A. Hurley, Registered Professional Reporter and Notary Public, do hereby certify that there came before me on the 31st day of March, 2006, the deponent herein, DOROTHY J. ELTZROTH, who was duly sworn by me and thereafter examined by counsel for the respective parties; that the questions asked of said deponent and the answers given were taken down by me in Stenotype notes and thereafter transcribed by use of computer-aided transcription and computer printer under my direction.

I further certify that the foregoing is a true and correct transcript of the testimony given at said examination of said witness.

I further certify that I am not counsel, attorney, or relative of either party, or otherwise interested in the event of this suit.

Kimberly A. Hurley

Certification No. 126-RPR
(Expires January 31, 2008)

DATED:

IN THE UNITED STATES DISTRICT COURT
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W. PETERSON, SUSAN M. POKOISKI,)
DAN P. ROLLINS, and WILLIAM)
SPERATI,)
)
Plaintiffs,)
)
v.) C.A. No. 05-10-JJF
)
COMPUTER SCIENCES CORPORATION,)
)
Defendant.)

Telephonic deposition of MARY JO MORRIS
taken pursuant to notice at the law offices of Margolis
Edelstein, 1509 Gilpin Avenue, Wilmington, Delaware,
beginning at 2:10 p.m., on Monday, May 8, 2006, before
Kimberly A. Hurley, Registered Merit Reporter and Notary
Public.

APPEARANCES:

TIMOTHY J. WILSON, ESQUIRE
MARGOLIS EDELSTEIN
1509 Gilpin Avenue
Wilmington, Delaware 19806
for the Plaintiffs

LARRY R. SEEGULL, ESQUIRE (via telephone)
DLA PIPER RUDNICK GRAY CARY US LLP
6225 Smith Avenue
Baltimore, Maryland 21209-3600
for the Defendant

WILCOX & FETZER
1330 King Street - Wilmington, Delaware 19801
(302) 655-0477

Mary Jo Morris

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1 A. Two years.

2 Q. So freshman and sophomore year. No degree from

3 there?

4 A. No.

5 Q. Are you presently employed by CSC?

6 A. Yes, I am.

7 Q. What is your present job title?

8 A. President, Global Transformation Solutions.

9 Q. What do you do in that position?

10 A. I run a business unit for the corporation that

11 specializes in application-related services.

12 Q. How long have you held that position?

13 A. Since May 2003.

14 Q. Did you work for CSC prior to that?

15 A. Yes.

16 Q. What position did you hold then?

17 A. A variety of positions. I've worked for CSC

18 since 1991.

19 Q. What was the most recent to the president of

20 Global --

21 A. Transformation Solutions?

22 Q. Yes. Let's just go back in time.

23 A. Prior to that I was the executive in charge of

24 our relationship with AT&T Corporation, and prior to that

Mary Jo Morris

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1 I was president of our Technology Management Group.

2 Q. What years were you the executive in charge of
3 AT&T?

4 A. That was just a year prior to this assignment.
5 So I think it was from like June or July. That would
6 have been July 2002 until May 2003.

7 Q. And the position previous to that?

8 A. Was president of the Technology Management
9 Group.

10 Q. What were the years you were in that position?

11 A. I believe it was March 2001 until July 2002.

12 Q. What about the position prior to that?

13 A. Prior to that I was president of the
14 Application Services Division.

15 Q. And the years?

16 A. You're testing me now. I think it was -- I
17 think it was 19 -- 1999 or 2000. I'd have to look at my
18 records. I'm not absolutely sure.

19 Q. Were you working for CSC in 1997?

20 A. Yes, I was.

21 Q. Do you know what you were doing that year?

22 A. I was working in some capacity related to
23 application services for CSC. I was a vice president.
24 I'm sure of that. And I was, I think, working to help

Mary Jo Morris

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1 no end date, but that evaluation period really can occur
2 any time over the following year, but generally it occurs
3 within the first, I don't know, four, five, six months.

4 Q. Are managers or directors supposed to have a
5 conversation with their employees as to their eligibility
6 for the program?

7 A. Yes. And there should be a signed document,
8 actually, that confirms that eligibility.

9 Q. When does that take place?

10 A. As I said before, it's sometime after the start
11 of the new fiscal year and, in my experience, has
12 extended as far out usually four to six months after.

13 Q. During those four to six months, how are the
14 employees supposed to know they're eligible?

15 A. I guess they can, say, talk with their
16 management if they have concerns about that to understand
17 exactly what's going on with the program.

18 Q. If someone's added to the program, are they
19 notified immediately?

20 MR. SEEGULL: Objection to the phrase
21 "immediately."

22 BY MR. WILSON:

23 Q. Within a short period of time, in your
24 experience, Ms. Morris?

Mary Jo Morris

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1 A. Again, I think it depends. In most cases we --
2 I guess it depends, but in most cases we obviously try to
3 get the timing down so it coincides with the assignment
4 for which they're now AMIP-eligible.

5 Q. Are you aware of any instance, any specific
6 instance, where a person was notified that he was
7 eligible and his eligibility went back in time?

8 A. Yeah, I can probably think of some
9 circumstances --

10 Q. Okay.

11 A. -- where they were notified four months into
12 the fiscal year and eligibility went back to the start of
13 the fiscal year.

14 Q. Okay. Can you name them?

15 A. Not off the top of my head.

16 Q. Once an individual is deemed eligible for the
17 AMIP bonus, his or her participation continues until
18 they're notified that they're no longer entitled to
19 participate, correct?

20 MR. SEEGULL: Objection. Mischaracterizes
21 the record.

22 MR. WILSON: You can answer, ma'am.

23 A. I'd say that is not my understanding of the
24 program; that, in fact, eligibility is reviewed from year

Mary Jo Morris

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1 to year. So you really can't make an assumption that,
2 because you are in it one year, you are in it the next
3 year.

4 Q. Are you eligible for the AMIP program?

5 A. Yes, sir, I am.

6 Q. At the beginning of the fiscal year prior to
7 getting your worksheet, does it ever cross your mind
8 whether you're going to remain AMIP-eligible?

9 A. No, not generally.

10 Q. Why not?

11 A. I guess I keep in contact with my boss enough
12 that I would understand early on if there were going to
13 be changes to the program or changes in my eligibility,
14 but I think I just communicate enough between corporate
15 HR and my boss that I have pretty good visibility to
16 what's going on with the program, and so from year to
17 year I don't expect a lot of changes from a special
18 standpoint.

19 Q. Absent that expectation, you would just assume
20 that you're going to remain eligible, correct?

21 MR. SEEGULL: Objection.

22 A. I think I'm not so naive to think that I'm
23 entitled to it from year to year, but certainly I have an
24 expectation that, as long as I'm performing, I will be

Mary Jo Morris

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1 part of the plan.

2 I also understand that, at any given point
3 in time, the company could completely change the whole
4 program and, in fact, could do away with it at any
5 particular time to take it to an extreme and that the
6 program is basically at their pleasure.

7 So while, yes, I have an expectation around
8 that, I also understand that I am serving the company at
9 their pleasure and they could change it at any time and
10 that would be the way it was.

11 Q. Do you view the AMIP bonus as part of your
12 salary?

13 A. No, sir. It's not part of my base pay.

14 Q. Do you view it as part of your compensation?

15 A. Yes, sir, it is part of my total compensation.

16 MR. SEEGULL: Tim, do you have a lot more?

17 MR. WILSON: I have a little bit.

18 MR. SEEGULL: Maybe we should just take a
19 break. It's been about an hour.

20 MR. WILSON: Okay. Ten minutes good?

21 MR. SEEGULL: That sounds good.

22 (A recess was taken.)

23 BY MR. WILSON:

24 Q. You ready to start, Ms. Morris?

Mary Jo Morris

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1 A. Are you referencing the third bullet or the
2 total document?

3 Q. No, the third bullet.

4 A. I would assume it was just a reminder to
5 employees that their participation in this program is at
6 the discretion of the company.

7 Q. Was there any concern that employees may not be
8 aware that the participation is reviewed each year and
9 that they may have assumed there was a guarantee of
10 continued participation?

11 A. I don't remember having any specific concern
12 about that.

13 Q. When did you first become aware that people
14 were considering removing some of these employees from
15 the AMIP program?

16 A. Well, when I took the job in May 2003, it was
17 shortly after that that I became aware that there had
18 been a broader discussion around the eligibility of
19 employees in the AMIP program, and now that I was in the
20 position, it was appropriate for me to get involved in
21 that. So we were trying hard to have consistency across
22 the three major business lines that operate North
23 America. So we had a number of discussions to that
24 effect to make sure that we did have consistency in how

Mary Jo Morris

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1 we went about making these changes and communicating
2 them.

3 Q. How did you first become aware that this was a
4 consideration?

5 A. You know, I don't remember exactly. I can
6 guess that the Human Resources Department began to speak
7 to me about it.

8 Q. Who made the final decision as to move forward
9 with this?

10 A. It was a joint decision.

11 Q. Between whom?

12 A. It would have been myself and Russell and
13 Tony Doye.

14 Q. Who is Russell?

15 A. Russ Owen.

16 MR. SEEGULL: There's no S on end of his
17 name.

18 MR. WILSON: So I hear. At least I said
19 Tony Doye, though.

20 THE WITNESS: Gus Siekierka was also a --
21 would have been the principal of HR.

22 BY MR. WILSON:

23 Q. Did you raise any issues regarding any concerns
24 you had over this proposed action?

Mary Jo Morris

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1 Ms. Morris, that's all I have at this time.

2 I appreciate you making yourself available. Mr. Seegull
3 or Mr. Raimo may have some questions for you at this
4 time.

5 BY MR. SEEGULL:

6 Q. Just a few questions.

7 Ms. Morris, are you aware of any employee
8 by name who was ever given a prorata payment after being
9 removed from the AMIP plan midyear?

10 A. No, I can't think of one.

11 Q. You said you could think of some examples of
12 employees not getting AMIP at the end of the year when
13 they were removed during the course of the year. Is that
14 right?

15 A. Yeah, I'm aware of circumstances.

16 Q. Can you tell me some circumstances where that's
17 occurred?

18 A. I can't think of any specific examples at this
19 time. I think I'm just generally aware that that has
20 occurred. I can't think of a specific example.

21 Q. Even though you can't think of names, can you
22 think of situations, whether it's a demotion,
23 termination, a transition to a different position?

24 A. Certainly a termination is a good example of